

## EXHIBIT 362

**REDACTED**



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<p style="text-align: right;">Page 142</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. I'm sure it did. So, under "Cardinal</p> <p>3 SOM," that stands for suspicious order monitoring,</p> <p>4 correct?</p> <p>5 MS. FIX MEYER: Object to form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. Yes.</p> <p>8 BY MR. MOUGEY:</p> <p>9 Q. On the third bullet down, "About 60% of</p> <p>10 these orders are legitimate orders that should be</p> <p>11 canceled."</p> <p>12 The last sentence says, "These are</p> <p>13 stores who are over their corporate ceiling." And</p> <p>14 corporate ceiling is Walgreens' corporate ceiling,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. Means that they weren't allowed to order</p> <p>18 any more, correct?</p> <p>19 A. Without proper documentation, yes.</p> <p>20 Q. And -- but "they are going to Cardinal</p> <p>21 to request the product."</p> <p>22 Do you see that?</p> <p>23 A. Yep.</p> <p>24 MS. FIX MEYER: Objection to form.</p>	<p style="text-align: right;">Page 144</p> <p>1 telling you the truth. I mean, you got to take</p> <p>2 care of the patients. And so --</p> <p>3 BY MR. MOUGEY:</p> <p>4 Q. The question I asked you was simple.</p> <p>5 Does the store have the ability to go to</p> <p>6 another vendor and order controlled substances</p> <p>7 after they hit the ceiling at Walgreens?</p> <p>8 MR. HOUTZ: Next time please let her finish</p> <p>9 her answer before you interrupt.</p> <p>10 MR. MOUGEY: The next time I'd like to have an</p> <p>11 answer to the question that I asked.</p> <p>12 BY MR. MOUGEY:</p> <p>13 Q. The vendors --</p> <p>14 MR. HOUTZ: If you allow her to finish your</p> <p>15 answer, you may get an answer.</p> <p>16 BY MR. MOUGEY:</p> <p>17 Q. The vendors -- I'm sorry.</p> <p>18 The pharmacies are allowed to order</p> <p>19 additional controlled substance, highly addictive,</p> <p>20 like OxyContin that we talked about earlier, once</p> <p>21 they hit the ceiling, that store can go to Cardinal</p> <p>22 and order additional oxycodone, correct?</p> <p>23 MS. FIX MEYER: Objection; form, foundation.</p> <p>24 MR. HOUTZ: Same objection.</p>
<p style="text-align: right;">Page 143</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. So, Walgreens' system, if a store</p> <p>3 exceeded the ceiling, they were told no more</p> <p>4 Schedule II or Schedule III controlled substances</p> <p>5 from us, correct, Walgreens?</p> <p>6 A. They didn't know. So --</p> <p>7 Q. They knew they couldn't order any more,</p> <p>8 correct?</p> <p>9 A. They wouldn't know because -- they</p> <p>10 wouldn't know until the order was due to show up.</p> <p>11 Q. And it didn't show up and they knew they</p> <p>12 didn't get it, correct?</p> <p>13 A. Right, but they didn't know why.</p> <p>14 Q. So, they knew they didn't get the order</p> <p>15 from Walgreens, correct?</p> <p>16 A. Correct.</p> <p>17 Q. And they didn't know why, but they</p> <p>18 didn't get it from Walgreens but then Walgreens</p> <p>19 allowed up until a period in time for that store to</p> <p>20 put it in an order from another vendor, correct?</p> <p>21 MR. HOUTZ: Object to form and foundation.</p> <p>22 BY THE WITNESS:</p> <p>23 A. Walgreens -- any pharmacy has secondary</p> <p>24 wholesalers if the one wholesaler -- I'm just</p>	<p style="text-align: right;">Page 145</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. Yes or no.</p> <p>3 A. I'm not going to yes or no answer that.</p> <p>4 I'm going to tell you what happened.</p> <p>5 Q. No, I want to know if they have the</p> <p>6 ability. That's all I asked.</p> <p>7 A. Yes.</p> <p>8 Q. Do they have the ability to order --</p> <p>9 A. Yes.</p> <p>10 Q. -- more oxycodone from another vendor</p> <p>11 like Cardinal after Walgreens' ceiling has been</p> <p>12 hit?</p> <p>13 MS. FIX MEYER: Objection; form, foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. On this date, yes.</p> <p>16 BY MR. MOUGEY:</p> <p>17 Q. Yes. Thank you.</p> <p>18 MR. MOUGEY: Les, if it's okay with you, it's</p> <p>19 a good stopping point for me for lunch.</p> <p>20 MR. HOUTZ: Sure.</p> <p>21 MR. MOUGEY: I am planning on using the seven</p> <p>22 hours today. So, I just want to give everybody a</p> <p>23 heads-up as we go through. I'm happy to take a</p> <p>24 shorter or longer lunch as you and Ms. Polster</p>

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1	A. You mean not shipped?	1	made based on that new information.
2	Q. Yes, ma'am.	2	Q. So, as you learned more and as you got
3	A. What about it?	3	up to speed, there were a different -- there were
4	Q. That's pre-you, though, wasn't it?	4	additional controls that needed to be implemented?
5	A. Yes.	5	A. There were -- there were changes that
6	Q. Yes. When you got there, if an order	6	needed to be made, yes.
7	was flagged by the Bancroft algorithm, it was -- is	7	Q. All right. And it didn't all happen at
8	the word "cut"? Are you okay with that? Or what's	8	once --
9	the right terminology you'd use?	9	A. Right.
10	A. It was not shipped at all.	10	Q. -- is what you're saying. It was over a
11	Q. Not shipped?	11	period of time?
12	A. Right.	12	A. Right.
13	Q. But the store was allowed to order up to	13	Q. And when -- and I'm trying not to use --
14	that threshold, correct? They had to enter a new	14	I'm trying to use the word you feel comfortable
15	order in?	15	with. Is control, an additional control? What
16	A. Yes.	16	term would you use?
17	Q. So, it was not shipped, but then the	17	You didn't like the modification to the
18	store could reenter an order up to the ceiling	18	algorithm. So, I'm trying to find a word you're
19	level, correct?	19	comfortable with.
20	A. Yes, but the store didn't have	20	A. Yeah, controls, that's fine.
21	visibility into that ceiling level.	21	Q. Is control okay?
22	Q. I understand.	22	A. Yeah.
23	A. Okay.	23	Q. That there were issues that your team
24	Q. I understand that's your drumbeat.	24	was identifying along the way, they were trying to
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1	A. Yeah.	1	find solutions and then implementing a control to
2	Q. But right now if the order wasn't	2	kind of close --
3	shipped, they were allowed to ship up to that	3	A. The goal was to have consistency on how
4	ceiling level, correct?	4	the stores would order; and as things popped up
5	A. Sure.	5	that created confusion for patient care and was
6	Q. Okay. Now, your team knew that there	6	happening at store level, then we made adjustments
7	were modifications that needed to be made to the	7	along the way to, you know, decrease any type of
8	Bancroft algorithm, correct?	8	confusion a store would have in getting a product.
9	Actually, you corrected me before about	9	Q. Would you feel comfortable with the word
10	the Bancroft. Let's use your language, whatever	10	that when Pharmaceutical Integrity started, that
11	you feel comfortable with.	11	there were loopholes in the system that needed to
12	So, rather than me saying changing the	12	be closed with additional controls to ensure
13	algorithm, how about your team was aware that there	13	compliance with Walgreens' duties as a distributor?
14	were -- that controls were needed to ensure that	14	A. Those -- I think there were gaps. I
15	all orders were going through the Walgreens	15	don't know about loopholes.
16	suspicious order monitoring system?	16	Q. Let's use the word "gaps." I'm
17	MR. HOUTZ: Object to form.	17	comfortable with "gaps."
18	BY THE WITNESS:	18	A. Okay.
19	A. I don't agree when you say they were	19	Q. So, there were gaps in Walgreens'
20	aware.	20	policies and procedures with its distribution of
21	BY MR. MOUGEY:	21	controlled substances that your team was
22	Q. Okay.	22	identifying and addressing throughout '13 and early
23	A. I think as time progressed, things would	23	'14?
24	pop up and then we would ask for a change to be	24	A. Yes.